



**MEETING OF THE HEALTH BENEFITS COMMITTEE OF THE RETIREMENT BOARD  
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND  
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT  
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY  
33 N Dearborn St, Suite 1000  
Chicago, Illinois 60602**

**Minutes for the September 19, 2013 Meeting**

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County Fund are herein collectively referred to as the "Fund." **All committee recommendations are preliminary in nature; as such, they are subject to review and approval by the full Retirement Board.**

Call to Order and Roll Call.

Trustee Committee Members Present: John Fitzgerald (Chair), Brent Lewandowski, Patrick McFadden, Alexis Herrera and Ivan Samstein

Additional Trustees Present: Samuel Richardson, Diahann Goode, Robert Janura, and Patrick Nester

Staff Present: Nickol Hackett, Executive Director; Brenda Deming, Director of Health Benefits; Rachelle Howliet, Health Benefits Team Lead; Paul Rzeszutko and Margaret Fahrenbach, Legal Advisor

Others Present: Jessica Streit, and Brian Madigan, The Segal Company; Katie Sabo, Cook County Commissioner Gainer's Office

1. Review and Consideration of August 22, 2013 and August 27, 2013 Health Benefits Committee Meeting Minutes

It was moved by Trustee Richardson and seconded by Trustee Lewandowski that the minutes of the August 22, 2013 and August 27, 2013 Health Benefits Committee Meeting be adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

2. Public Comment

Trustee Fitzgerald asked if anyone present would like to address the Committee and, no one having requested to do so, the Committee considered the next item on the Agenda.

### 3. Administrative Update

Brenda Deming presented to the Committee a migration plan for moving 380 members who are enrolled in the Classic HMO but not utilizing Northwestern, Loyola, St. Anthony or NorthShore as their Independent Practice Association (IPA) to the Advantage Plan in order to reduce costs. The Committee discussed that the premium costs of the Advantage HMO Plan were less than the premium costs of the Classic Blue Plan and that moving more members into the former plan would produce cost savings to the Fund. The Committee further discussed the need to send a notice with the Open Enrollment mailing to those members who would be moved to the Advantage HMO Plan notifying them that they could apply to re-enroll in the Classic HMO Plan if desired.

It was moved by Trustee Samstein and seconded by Trustee Lewandowski that the 380 members currently enrolled in the Classic HMO but not utilizing Northwestern, Loyola, St. Anthony or NorthShore as their IPAs be moved into the Advantage HMO.

[Vote Result:](#) MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

Ms. Deming then presented for the Committee's review a table of claims by provider hospital charges which included a report on the per diem charges at each of the above referenced hospitals. The Committee discussed that the per diem charges at each of the referenced hospitals were not, on average, higher than the per diem charges of other providers and that the higher premiums charged for the Classic HMO plan were due to the higher per capita fees paid to the IPAs in that contract. The Trustees asked whether the University of Chicago was in either plan's network. Rachelle Howliet stated that the University of Chicago is not an in-network facility in any of the Fund's plans, and so any services provided there would be paid at the out-of-network reimbursement rates.

Ms. Deming discussed the PPO plan claim appeal process through Blue Cross Blue Shield and Ms. Howliet reported that there are about 10 or 15 denied claims that are appealed annually. No action was taken on this topic.

A working draft of Administrative Rules for Health Benefits Eligibility and Subsidy guidelines was reviewed. The Trustees requested the addition of language to reinforce that all subsidy schedules are subject to change now and in the future. It was requested that the draft be revised by staff based on comments and feedback.

Lastly, Ms. Deming presented an analysis of Forest Preserve annuitant demographics as compared to Cook County that Trustees had previously requested. The analysis showed the two groups to be very similar in average ages, annuity amounts and health benefit utilization rates. It was requested that staff investigate the rates and plan offerings available on the health insurance exchanges, and be prepared to explain this new option for retiree coverage in the future when employees are planning their retiree healthcare needs.

### 4. Spousal Subsidy Review

Ms. Hackett began the discussion with a recap of the remaining decision on spouse annuitant subsidy level. Ms. Deming discussed comparative data on the level of spousal subsidy available with

reciprocal funds as well as sample national data. While the Fund's subsidy is higher than comparable plans, some Trustees stated that this is considered an important protection for the annuitants' surviving spouses and dependents. The Trustees discussed potential schedule modifications to the current spouse subsidy and discussed the concept relative to previous changes made to the plan. The Trustees then discussed the scope of further modifications to the subsidy design and feasibility of making changes.

It was moved by Trustee Herrera and seconded by Trustee Janura to reaffirm the subsidy schedule in its entirety, including the spousal subsidy approved by the Retirement Board on September 5, 2013.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

## 5. Adjournment

It was moved by Trustee Nester and seconded by Trustee Samstein to adjourn the meeting.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.